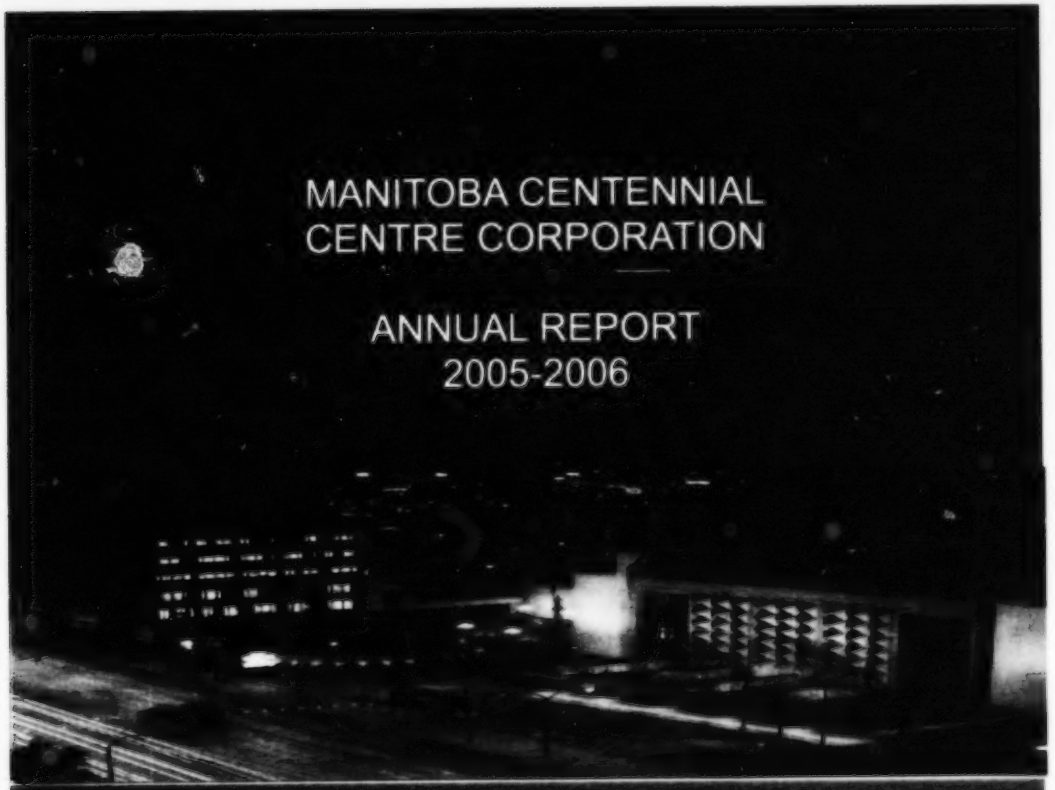


MANITOBA CENTENNIAL CENTRE CORPORATION

ANNUAL REPORT 2005-2006

For the year ended March 31, 2006

Manitoba Centennial
Centre Corporation

Room 117, 555 Main Street
Winnipeg, Manitoba
R3B 1C3

Phone: (204) 956-1360
Fax: (204) 944-1390
www.mbccc.ca

TABLE OF CONTENTS

Vision 3

Board Members 4

Administration 4

A Message from the Board Chair and Chief Executive Officer 5

Report

- Organization/Operations 7
- Centennial Concert Hall 7
- Other Activities at the Centre 8
- Capital Program 8
- Manitoba Centennial Foundation of the Future Fund 8
- Annual Attendance & Performance Comparison 9
- Revenues from Operations 10
- Salaries & Benefits Costs 11

Attachments

- Management Report 12
- Auditors' Report 13
- Financial Statements for the Year Ended March 31, 2006 14

VISION

The Manitoba Centennial Centre welcomes all Manitobans and visitors to Winnipeg to a world-class facility for arts, entertainment and cultural events. In addition to providing facilities for several permanent arts and cultural organizations, the Centennial Centre attracts international and high-profile performances that will appeal to Manitobans. Our vision is multi-layered and inclusive: the Board and management of the Centre also encourage use of its practice and performance facilities by community groups.

BOARD MEMBERS

Dr. Keith Hildahl, Chair
Ms. Pat Macgillivray, Vice-Chair
Mr. Edwin Cavanaugh
Ms. Rita Chahal
Mr. Leonard Daiman
Mr. Paul Huntington
Dr. Judith Kearns
Mr. Larry Moreau
Mr. Kevin Nolan
Mr. Roy Read
Mr. Ken Shiffman
Ms. Devan Towers

ADMINISTRATION

Mr. Bob Sochasky, CMA, FCMA, Chief Executive Officer
Ms. Laura Proulx, CMA, Director of Finance & Administration
Mr. Edward A. Solinske, Director of Facilities Services
Mr. Dennis L. Perko, Director of Concert Hall Operations
Mr. Norbert Schuster, Director of Physical Operations
Mr. David G. Peterson, Manager of Building Services
Mr. Martin G. Kull, Manager of House Services

A Message from the Board Chair and the Chief Executive Officer

The new Manitoba Centennial Centre Corporation Act proclaimed June 9, 2005 highlights the major steps forward our organization has taken to develop an effective business approach and sets the stage for proactive management in pursuing the many opportunities which lie ahead for us.

Some of the year's accomplishments were:

Supports Arts and Culture in Manitoba

- Rent reductions of $229,332 to the resident companies, the Royal Winnipeg Ballet, the Winnipeg Symphony Orchestra and the Manitoba Opera.

- The Foundation of the Future 2005 award was given to Immanuel Christian School to implement a structured band program.

- The Steinkopf Memorial Youth Fund provided $2,625 toward youth oriented programming such as the Winnipeg Youth Orchestra and Girl Guides.

- Piano Nobile Gallery featured works by eight different artists in 2005 including artists such as Ewa Tarsia, Jolanta Sokalska, Tom Smith, Guy St. Godard, Kris Row, Marika Onufrijchuk Sokulski, Wanda Koop and William Eakin.

Social Responsibility

- Support for the Christmas Cheer Board and the United Way.

- Strong support for the Exchange Biz's Program of full time Foot Patrol Officers in the community.

- Support for two charities: The Children's Wish Foundation and Friends of the Canadian Museum for Human Rights.

Customer Satisfaction

- Upgraded the WSO Box Office facility.

- Acquired operating control and management of the Manitoba Production Centre to maximize business opportunities and improve operating efficiencies.

- Redesigned wheelchair seating in the Concert Hall to eliminate visibility issues and to provide a more pleasing environment for handicap patrons.

- Completed the first phase of a major sound renovation project to greatly improve sound quality within the Concert Hall.

- Installed emergency power lighting in all washrooms in the Centennial Centre.

Workplace Quality

- Completed a Fall Protection Safety Audit for all of the Centennial Centre's facilities.

- Provided employees with continuing education opportunities within their field.

- Upgraded outdoor clothing for Building Maintenance employees.

Business Effectiveness

- An operating surplus for the fiscal year 2005/2006.

- Achieved an 11% revenue increase in concession sales.

- A financially enhanced agreement with Imperial Parking for the three outdoor parking lots.

- Replaced indoor lighting with energy efficient units which will reduce electrical energy requirements by 30%.

- Developed a Museum event cost recovery program.

- Instituted a consumption program with suppliers to lower costs such as electricity at the Manitoba Production Centre.

Our thanks to all of our staff and to the Board—our success is the result of your efforts.

Keith Hildahl, MD
Board Chair

Bob Sochasky, CMA, FCMA
Chief Executive Officer

Organization/Operations

The Manitoba Centennial Centre Corporation's (the "Corporation") mandate under its enabling legislation "The Manitoba Centennial Centre Corporation Act" includes the administration of the Centennial Concert Hall and its related services as well as the maintenance and development of the buildings and properties of the Centennial Centre. The Corporation offers a variety of programs and presentations in the visual and performing arts. The Corporation provides property management services for the Manitoba Museum, the Planetarium, the Manitoba Theatre Centre, the Warehouse Theatre, the Artspace building, 11 Lily Street, four parking facilities and manages the operations of the Centennial Concert Hall.

The facilities' operating program continues to strive for a high standard of building services and maintenance. Preventative plant maintenance programs are ongoing and new programs for better services and cost effectiveness, particularly in areas involving energy costs, are emphasized wherever possible. In compliance with a Government of Manitoba directive, the Corporation has adopted a Sustainable Development Policy for its operations. Liaison with various departments and agencies of the provincial government continues to assist in the operation of the Corporation.

Centennial Concert Hall

The Centennial Concert Hall hosted 166 performances during the past year in comparison to 171 during the 2004/2005 fiscal year.

Performance highlights include:

- Hosting the Juno's opening event in April
- Country star "Keith Urban" performed to a sold out audience in April
- Canada's own "Michael Buble" sold out in June
- Dr. Jane Goodall presented an educational lecture in June
- 16 performances of the hit musical "Mamma Mia" in August
- "Just for Laughs" appeared in November
- "Rita MacNeil" returned to perform in December
- Blues sensation "B.B. King" sold out in December
- Attila Glatz presented their annual New Year's Day "Salute to Vienna" show
- "Zamfir" returned to perform in January
- Country artist "Tanya Tucker" performed in March

The Corporation's three resident tenants, the Winnipeg Symphony Orchestra, the Royal Winnipeg Ballet and the Manitoba Opera presented another full season of concerts and performances including:

- The Winnipeg Symphony Orchestra offered a variety of Masterworks, City Classics, Musically

Speaking, POPS, Choral Series and Concert for Families series. The six day "New Music Festival" was held in February.

- The Royal Winnipeg Ballet presented "Sleeping Beauty", "Dracula", "The Nutcracker" and "The Messiah".
- Manitoba Opera unveiled two full productions entitled "Elixir of Love" and "La Boheme" plus one special performance entitled "Stories that Sing".

Other Activities of the Centre

In addition to the activities related to the Concert Hall, the Centre features a variety of programs and presentations in the visual and performing arts. While these are served by the Corporation, they are reported on by the organizations responsible for their administration (Manitoba Museum, Manitoba Theatre Centre, etc.).

The Piano Nobile Art Gallery continues to feature works by Manitoba artists. These works are on display for patrons to view during performances.

Capital Program

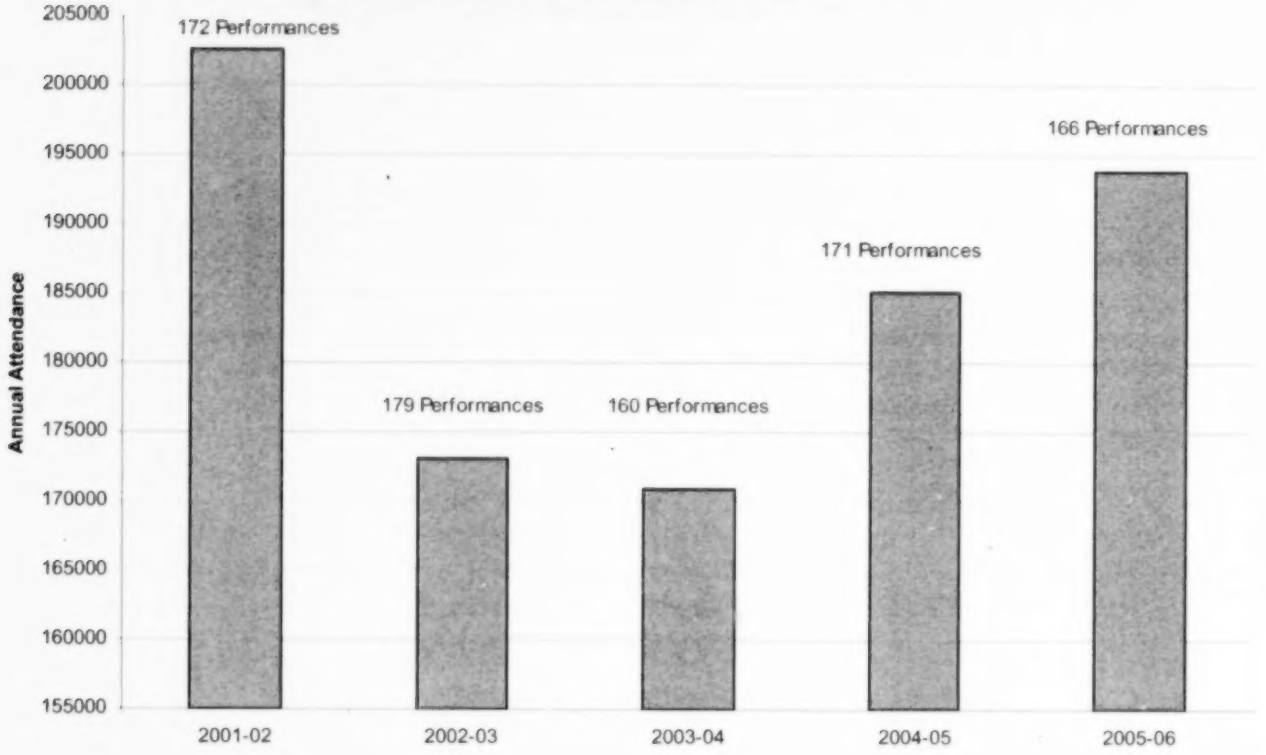
During the year, a total of $976,709 was expended on capital projects which were totally financed from capital grants from the Province of Manitoba. A summary outlining the capital program is included in the attached financial statements.

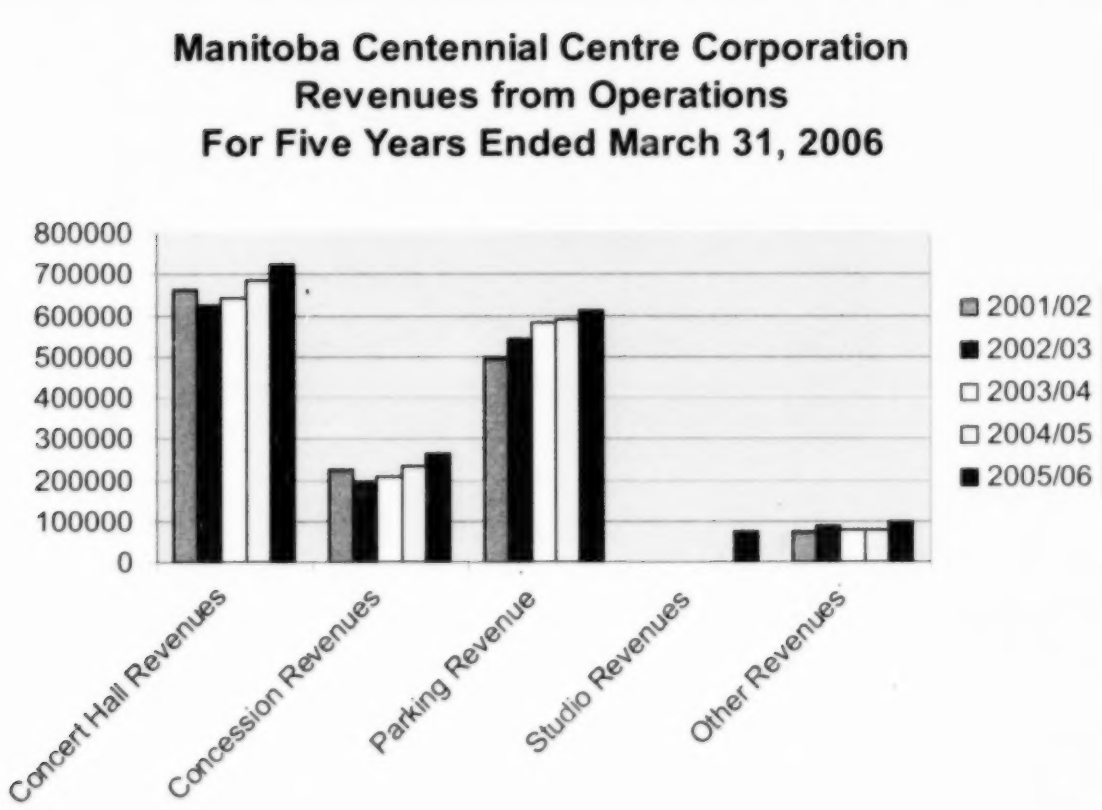
Manitoba Centennial Foundation of the Future Fund

The Foundation was established in 1969 to provide for children born in Manitoba's centennial year (1970) on six specific dates to meet in the year 2000 to propose a specific project which would be unique to Manitoba and would honour the Province's culture and arts. The result of the committee was to provide bursaries to Manitoba schools to promote education in the arts for youth. The Corporation is pleased to report that Immanuel Christian School has been selected to receive the "Maitland B. Steinkopf Foundation for the Future Award" in the 2005/2006 season.

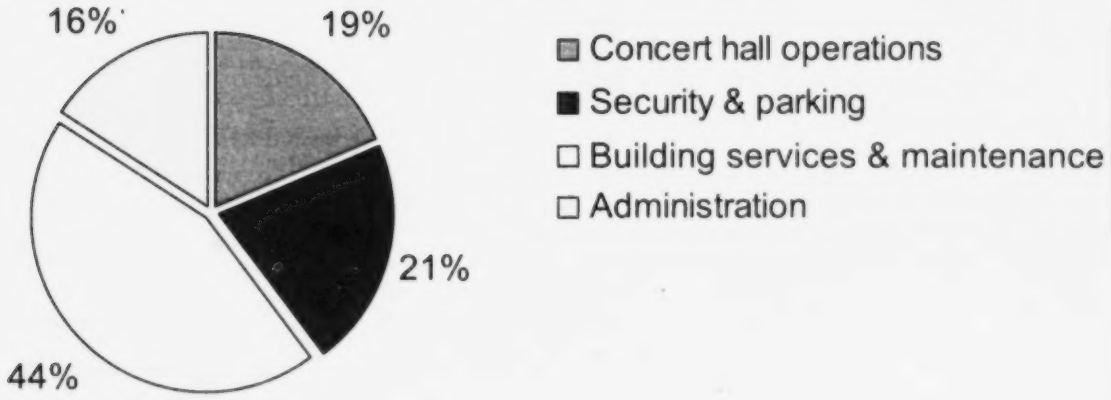
The fund currently has a balance of $51,297 as of March 31, 2006.

Manitoba Centennial Centre Corporation
Annual Attendance & Performance Comparison
For Five Years Ended March 31, 2006




Manitoba Centennial Centre Corporation
Revenues from Operations
For Five Years Ended March 31, 2006
800000
700000
600000
500000
400000
300000
200000
100000
0
Concert Hall Revenues
Concession Revenues
Parking Revenue
Studio Revenues
Other Revenues
2001/02
2002/03
2003/04
2004/05
2005/06

Manitoba Centennial Centre Corporation
Salaries & Benefits Costs
For Year Ended March 31, 2006



Management Report

The accompanying financial statements of the Manitoba Centennial Centre Corporation (the "Corporation") are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting standards. These standards have been applied on a basis consistent with that of the preceding year. In management's opinion, the financial statements have been properly prepared with reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available up to May 5, 2006.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and that the assets of the Corporation are properly safeguarded.

The responsibility of the Office of the Auditor General is to express an independent, professional opinion on whether the financial statements of the Corporation are fairly presented in accordance with Canadian generally accepted accounting standards. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

Bob Sochasky, CMA, FCMA
Chief Executive Officer

Laura Proulx, CMA
Director of Finance and Administration

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Board of Directors of The Manitoba Centennial Centre Corporation

We have audited the statement of financial position of The Manitoba Centennial Centre Corporation as at March 31, 2006 and the statement of operations and surplus - general fund, the statement of cash flows – general fund and the statement of capital projects for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
May 5, 2006

Manitoba Centennial Centre Corporation
Statement of Financial Position

March 31	2006	2005
General Fund		
Assets		
Current		
Cash and bank	**$ 431,231**	$ 139,966
Term deposits - Province of Manitoba	**710,903**	1,385,656
Accounts receivable	**166,309**	120,871
Operating grant receivable - Province of Manitoba	**70,000**	-
Inventory	**20,963**	31,998
Prepaid expenses	**66,134**	56,410
	1,465,540	1,734,901
Accounts receivable - pension - Province of Manitoba (Note 6)	**4,862,000**	4,888,000
Accounts receivable - vacation - Province of Manitoba (Note 5)	**199,964**	199,954
Accounts receivable - severance - Province of Manitoba (Note 4)	**307,561**	307,561
	5,369,525	5,395,525
	6,835,065	7,130,426
Restricted Funds (Note 7)		
Assets		
Current		
The Maitland Steinkopf Youth Fund - Term deposit - Province of Manitoba	**64,644**	65,567
The Manitoba Centennial Foundation of the Future Fund - Term deposit - Province of Manitoba	**51,297**	52,407
	115,941	117,974
	$ 6,951,006	$ 7,248,400

Commitments (Note 6)

See accompanying notes to the financial statements

Manitoba Centennial Centre Corporation
Statement of Financial Position (continued)

March 31	2006	2005
General Fund		
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 486,342**	$ 434,178
Accrued vacation liability (Note 5)	**221,258**	195,583
Capital advances (Note 8)	**281,698**	780,445
Deferred income and rental deposits	**35,797**	16,880
	1,025,095	1,427,086
Pension liability (Note 6)	**4,862,000**	4,888,000
Accrued severance pay (Note 4)	**424,894**	398,321
Provision for deductible costs on insurance claims (Note 9)	**15,000**	15,000
	5,301,894	5,301,321
	6,326,989	6,728,407
Surplus	**508,076**	402,019
	6,835,065	7,130,426
Restricted Funds (Note 7)		
Funds retained		
The Maitland Steinkopf Youth Fund	**64,644**	65,567
The Manitoba Centennial Foundation of the Future Fund	**51,297**	52,407
	115,941	117,974
	$ 6,951,006	$ 7,248,400

Approved on behalf of the Board

Director

Director

See accompanying notes to the financial statements.

Manitoba Centennial Centre Corporation
Statement of Operations and Surplus - General Fund

Year Ended March 31	2006	2005 (Note 13)
Revenues		
Rentals		
Concert Hall	**$ 525,870**	$ 502,188
Sustaining fees	**158,415**	145,456
Office space	**43,149**	41,156
Studio Rental	**72,165**	-
Bar and concession sales	**263,481**	232,094
Administration fees	**9,000**	-
Parking fees	**608,740**	588,079
Checkroom fees	**7,714**	8,929
Program income	**17,833**	11,733
Investment income	**26,742**	22,234
Miscellaneous	**27,053**	27,179
	1,760,162	1,579,048
Province of Manitoba grants		
Operating	**2,914,100**	2,723,700
Pension (Note 6)	**(27,381)**	228,964
	2,886,719	2,952,664
City of Winnipeg grant		
Strategic Economic Development Grant	26,416	-
Recoveries of expenses	**179,684**	185,426
Total revenues, grant and recoveries	**4,852,981**	4,717,138
Expenses		
Administration and general	**432,907**	426,664
Bar and concession operations	**148,372**	119,512
Building services and maintenance	**1,205,925**	1,224,160
Host services and special projects	**213,155**	205,116
Manitoba Production Centre	**235,571**	-
Parking services	**190,142**	200,818
Pension (Note 6)	**148,686**	387,263
Security services	**431,115**	405,313
Stage operations	**304,768**	291,875
	3,310,641	3,260,721
Expenses incurred on behalf of the Manitoba Museum (Note 10)	**1,447,011**	1,464,070

Manitoba Centennial Centre Corporation
Statement of Operations and Surplus - General Fund (continued)

Year Ended March 31

	2006	2005 (Note 13)
Total expenses – per schedule	$ 4,757,652	$ 4,724,791
Excess (deficiency) of revenues over expenses prior to bad debt recovery	95,329	(7,653)
Bad debt recovery	10,728	174,000
Excess of revenues over expenses	106,057	166,347
Surplus, beginning of year	402,019	235,672
Surplus, end of year	$ 508,076	$ 402,019

See accompanying notes to the financial statements.

Manitoba Centennial Centre Corporation
Statement of Cash Flows - General Fund

Year Ended March 31	2006	2005
Increase (decrease) in cash		
Operating		
Excess of revenues over expenses	**$ 106,057**	$ 166,347
Changes in non-cash working capital items		
Accounts receivable	**(45,438)**	10,147
Operating grant receivable	**(70,000)**	-
Inventory	**11,035**	(5,488)
Prepaid expenses	**(9,724)**	(2,435)
Accounts payable and accrued liabilities	**(107,591)**	(10,432)
Deferred income and rental deposits	**18,917**	(8,995)
Accrued vacation liability	**25,675**	13,279
Accrued severance pay	**26,573**	31,267
	(44,496)	193,690
Financing		
Capital grants - Province of Manitoba	**477,962**	1,030,281
Capital expenditures	**(816,954)**	(204,942)
	(338,992)	825,339
Net (decrease) increase in cash and cash equivalents	**(383,488)**	1,019,029
Cash, beginning of year	**1,525,622**	506,593
Cash, end of year	**$ 1,142,134**	$ 1,525,622
Represented by:		
Cash and bank	**$ 431,231**	$ 139,966
Term deposits - Province of Manitoba	**710,903**	1,385,656
	$ 1,142,134	$ 1,525,622

See accompanying notes to the financial statements.

Manitoba Centennial Centre Corporation
Statement of Capital Projects

Year Ended March 31	2006	2005
Capital Expenditures		
Electrical/mechanical maintenance	**$ 52,784**	$ -
Elevator	**100,974**	5,697
Emergency lighting	**49,828**	-
Equipment and furnishings	**230,822**	-
Exterior lighting	**120,794**	12,757
Parking development	**119,922**	-
Parking equipment	**-**	72,789
Power factor correction equipment	**-**	68,018
Stage sound	**301,585**	1,500
	976,709	160,761
Capital Grants - Province of Manitoba		
Received during the year	**(477,962)**	(924,962)
Advances for next year	**281,698**	780,445
Advances from previous years	**(780,445)**	(16,244)
Recoverable	**$ -**	$ -

See accompanying notes to the financial statements.

Manitoba Centennial Centre Corporation
Schedule of Expenses

Year Ended March 31

	2006	2005 (Note 13)
Administration and general		
Salaries and employee benefits	$ 371,918	$ 356,936
Insurance	81,750	79,396
Telephone and fax	14,564	17,481
Audit and legal	20,132	20,363
Other	90,232	94,393
Payroll service	5,028	5,074
Bad debts	-	18
	583,624	573,661
Bar and concession operations		
Salaries and employee benefits	57,289	43,797
Cost of goods sold	80,135	72,657
Other	10,948	3,056
	148,372	119,510
Building services and maintenance		
Salaries and employee benefits	1,149,278	1,104,274
Utilities	893,004	841,966
Repairs, maintenance and supplies	314,446	463,038
	2,356,728	2,409,278
Host services and special projects		
Salaries and employee benefits	193,997	188,803
Other	19,158	16,313
	213,155	205,166
Manitoba Production Centre		
Administration Costs	58,077	-
Repairs, maintenance and supplies	49,416	-
Property taxes	69,385	-
Utilities	58,693	-
	235,571	-
Parking services		
Salaries and employee benefits	112,605	119,074
Agency fees and expenses	70,481	75,043
Other	7,056	6,701
	190,142	200,818
Pension (Note 6)	240,688	468,437

See accompanying notes to the financial statements

Manitoba Centennial Centre Corporation
Schedule of Expenses (continued)

Year Ended March 31

	2006	2005 (Note 13)
Security services		
Salaries and employee benefits	**$ 468,006**	$ 442,154
Other	**16,598**	13,942
	484,604	456,096
Stage operations		
Salaries and employee benefits	**274,310**	251,711
Repairs, supplies and equipment	**30,458**	40,164
	304,768	291,875
Total expenses	**4,757,652**	4,724,791
Less: Expenses incurred on behalf of the Manitoba Museum (Note 10)	**1,447,011**	1,464,070
Net expenses	**$ 3,310,641**	$ 3,260,721

See accompanying notes to the financial statements.

Manitoba Centennial Centre Corporation
Notes to the Financial Statements
March 31, 2006

1. Nature of the Corporation's operations

The Manitoba Centennial Centre Corporation was established in 1968 for the development and management of the permanent arts centre in the City of Winnipeg as the principal memorial in the Province to the centennial anniversaries of the Confederation of Canada and the inclusion of Manitoba as a Province. Its aim and objectives are to maintain and enhance the properties and facilities available to organizations and individuals involved in various elements of the visual and performing arts. The Corporation is exempt from income taxes under Section 149(1) of the Income Tax Act.

2. Properties of the Corporation

The Corporation oversees the properties of the Centre on behalf of the Province of Manitoba. At March 31, 2006 registered titles to these properties, being the Concert Hall, parkade, parking lots and other buildings, are held by the Province of Manitoba. These properties are made available at no direct charge to the Corporation.

3. Summary of significant accounting policies

Fund accounting

The Corporation's financial statements have been prepared on a fund basis, using Canadian generally accepted accounting principles. The general fund is used to account for the operations of the Centre. The restricted funds, which are the Maitland Steinkopf Youth Fund and the Manitoba Centennial Foundation of the Future Fund, are described in note 7.

Pension costs

Pension payments are recognized as operating expenses as payments are made under provisions of The Manitoba Civil Service Superannuation Act. The provisions of this Act require the Corporation to contribute 50% of the pension payments being made to retired employees. In addition, a provision has been recorded in the accounts of the Corporation for current and past service pension obligations.

3. Summary of significant accounting policies (continued)

Term deposits

Term deposits are recorded at cost plus accrued interest.

Inventory

Inventory is valued at the lower of cost, using the first in first out method, and net realizable value.

Use of estimates

In preparing the Corporation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Cash and bank

Cash and bank include cash on hand, balances with banks and net of bank overdrafts.

Revenue recognition

Revenue is recognized when services are rendered and when collectibility is reasonably assured.

4. Severance pay benefits

Effective April 1, 1998, the Corporation commenced recording the estimated liability for accumulated severance pay benefits for its employees. The amount of this estimated liability is determined using the method of calculation set by the Province of Manitoba.

Severance pay, at the employee's date of retirement, will be determined by multiplying the eligible employee's years of service (to a maximum of 23 years) by the employee's weekly salary at the date of retirement. Eligibility will require that the employee has achieved a minimum of nine years of service and that the employee is retiring from the Corporation.

4. Severance pay benefits (continued)

The Province of Manitoba has accepted responsibility for the severance pay benefits accumulated to March 31, 1998 by the Corporation's employees. Accordingly, the Corporation recorded, effective April 1, 1998, a receivable of $307,561 from the Province of Manitoba, which is an amount that is equal to the estimated liability for accumulated severance pay benefits at March 31, 1998. This receivable from the Province of Manitoba has no terms of repayment.

5. Vacation pay liability

In years prior to 2001, the Corporation recorded the estimated liability and the related expense for accumulated vacation pay benefits to its employees. In 2001, the Corporation was advised by the Province of Manitoba that the Province has accepted responsibility for the vacation pay liability accumulated to March 31, 1995 which amounts to $199,964. Accordingly, the Corporation recorded, in 2001, a receivable of $199,964 from the Province of Manitoba with retroactive restatement of prior periods. This receivable from the Province of Manitoba has no terms of repayment.

6. Pension liability

The Corporation records the actuarial pension liability and the related pension expense in their financial statements. Based on an actuarial report dated December 31, 2004, the unfunded liability for the Corporation's employees, calculated on an indexed basis, amounted to $4,862,000 as at March 31, 2006 (2005 - $4,888,000). For the year ended March 31, 2006, the Corporation recorded a pension liability of $4,862,000 (2005 - $4,888,000) and the related pension expense of $240,688 (2005 - $468,437).

Since the Province of Manitoba is responsible for the pension liability and the related expense, the Corporation adjusted the amount receivable from the Province of Manitoba to $4,862,000 (2005 - $4,888,000) by recording a related expense of $27,381 (2005 - related revenue of $228,964). This receivable from the Province of Manitoba has no terms of repayment.

6. Pension liability (continued)

Provision for employer's share of employer's share of employees' pension plan:

	2006	2005
Balance, beginning of year	**$ 4,888,000**	$ 4,658,000
Adjustment for December 31, 2004 Actuarial Report	**(212,700)**	
Increase in trust account held by the Civil Service Superannuation Fund	**(19,324)**	(15,934)
Benefits accrued	**145,679**	141,585
Interest accrued (7%, 2005: 7.25%)	**325,217**	342,785
Benefits paid	**(264,872)**	(238,436)
Balance, end of year	**$ 4,862,000**	$ 4,888,000

7. Restricted funds

Restricted funds established and managed by the Corporation are as follows:

(a) The Maitland Steinkopf Youth Fund

In 1972, the Corporation established the Maitland Steinkopf Youth Fund with an original allocation of $25,000. The major purpose of this fund is to promote cultural opportunities for Manitoba youths at reasonable costs.

7. Restricted funds (continued)

Summary of transactions:	**2006**	2005
Fund balance, beginning of year	**$ 65,567**	$ 66,475
Investment income	**1,752**	1,392
Grant expense	**(2,675)**	(2,300)
Fund balance, end of year	**$ 64,644**	$ 65,567

(b) The Manitoba Centennial Foundation of the Future Fund

In 1969, the Corporation established the Foundation of the Future Fund in recognition of Manitoba's centennial year. The terms of the Foundation's establishment provide that the Board of Directors of the Foundation will be composed of children born on six special dates in the year 1970. Based on the number of children born on these dates, the Corporation allocated $3,050 to the Fund.

Summary of transactions:	**2006**	2005
Fund balance, beginning of year	**$ 52,407**	$ 53,794
Investment income	**1,390**	1,113
Grant expense	**(2,500)**	(2,500)
Fund balance, end of year	**$ 51,297**	$ 52,407

The Board of Directors of the Foundation have decided funds will be used toward an annual bursary program for those pursuing careers in the Arts.

8. Capital advances and commitments

The Corporation had contractual commitments at the end of 2006 for $53,331 (2005 - $241,347) to complete capital improvements.

Capital funds in the amount of $281,698 (2005 - $780,445) were drawn in advance on projects awarded, but not completed by March 31, 2006.

9. Provision for deductible costs on insurance claims

The insurance program of the Corporation contains a deductible clause requiring the Corporation to pay the first $5,000 on any claim with a maximum of $15,000 in any one year. The Corporation has set aside a provision of $15,000 and, as long as the conditions of the insurance coverage are unchanged, it will be maintained at this level.

10. Grant of service

The Manitoba Centennial Centre Corporation incurs expenses such as cleaning, utilities and maintenance on behalf of the Manitoba Museum. These expenses amount to $1,447,011 for the year ending March 31, 2006 (2005 - $1,464,070).

11. Financial instruments

The Corporation's financial instruments consist of cash, term deposits, accounts receivable and accounts payable. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

12. Economic dependence

The Corporation is economically dependent on funding received from the Province of Manitoba.

13. Comparative figures

Certain of the 2005 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2006.